

February 27, 2009

Summary:
Alliant Energy Corp.

Primary Credit Analyst:

Gerrit Jepsen, CFA, New York (1) 212-438-2529; gerrit_jepsen@standardandpoors.com

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Rationale

Outlook

Summary: Alliant Energy Corp.

Credit Rating: BBB+/Stable/A-2

Rationale

The ratings on electric and natural gas utility holding company Alliant Energy Corp. reflect the consolidated credit profile that includes utility subsidiaries, Interstate Power & Light Co. (IP&L; BBB+/Stable/A-2) and Wisconsin Power & Light Co. (WP&L; A-/Stable/A-2), and unregulated subsidiary Alliant Energy Resources (AER; BBB+/Stable/--).

The ratings on Alliant Energy reflect its stable utility subsidiaries, adequate cash flow protection, and reduced debt leverage. Alliant Energy has an excellent business risk profile, which reflects the successful reduction in the size and scope of AER's nonregulated and international activities through divestitures and the use of sales proceeds to pay down debt. AER will operate primarily in energy transportation, development of wind power, and consulting services. IP&L's and WP&L's business risk profile are excellent and reflect constructive regulatory environments, low-cost coal-fired generation, and reduced operational risk from the sales of their nuclear plant interests. Moderate industrial concentration, rising fuel and purchased-power costs, and significant capital expenditures temper those strengths. Alliant Energy is building wind farms and is planning to build one coal unit in its Iowa service territory.

Alliant Energy's consolidated credit measures are within established guidelines for an aggressive financial risk profile. Overall, the company has adequate cash flow protection and manageable debt leverage. For the 12 months ended Sept. 30, 2008, after adjustments, funds from operations (FFO) interest coverage was 3.9x, FFO to debt was about 20%, and debt to total capital was 50%. During the construction program, we would expect at least some weakening of these financial measures. As capital spending has increased for the company, net cash flow to capital expenditures has dropped significantly to 55%, and could further decline as capital spending increases with construction of the coal unit. External funding will be necessary.

Short-term credit factors

The short-term rating is 'A-2'. Alliant Energy should have sufficient liquidity over the short term. The company's strong liquidity reflects stable cash flow from utility operations and ample alternative liquidity sources such as \$379 million of cash. Capital spending has been funded through internally generated operating cash flow, but free operating cash flow will likely be negative in the intermediate term during the company's large construction program. External funding will be required to finance this program. Alliant's commercial paper program provides alternative liquidity to meet ongoing working-capital requirements and moderate debt maturities through the intermediate term. The company uses its credit facilities to backstop its commercial paper program. Alliant Energy has three revolving credit facilities totaling \$650 million that support its commercial paper program and are also available for direct borrowings. The company had \$582 million of availability as of Sept. 30, 2008.

Outlook

The stable outlook on Alliant Energy reflects our expectations that the company will continue to focus on its core utility subsidiaries. We expect the capital spending program to be completed without material delays or cost overruns, and continued supportive regulation during the construction phase. However, we could change the outlook to negative if the financial profile weakens more than we expect during the construction period due to unfavorable ratemaking treatment, significantly higher interest rates on new and refinanced debt, or escalating construction costs. A positive outlook is currently not contemplated and would depend largely on sustaining strong financial measures during construction.

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September 10, 2008

Bulletin:

Alliant Energy And Alliant Energy Resources Ratings Unaffected By Trustee's Notice Of Default

Primary Credit Analyst:

Gerrit Jepsen, CFA, New York (1) 212-438-2529; gerrit_jepsen@standardandpoors.com

NEW YORK (Standard & Poor's) Sept. 10, 2008--Standard & Poor's Ratings Services said today that the ratings and outlook on Alliant Energy Corp. (BBB+/Stable/A-2) and its subsidiary, Alliant Energy Resources Inc. (AER; BBB+/Stable/NR), are not immediately affected by the notice of default from the indenture trustee with respect to AER's \$402.5 million 2.5% exchangeable senior subordinated notes (due 2030) that Alliant Energy guarantees. The trustee alleges that a covenant in AER's indenture was breached as it relates to the transfer of AER's assets, and filed a complaint with the U.S. District Court for the District of Minnesota that will ultimately determine if the covenant has been breached. If the court ultimately rules against Alliant Energy and AER, they would have time to resolve the issue. Standard & Poor's believes that the company's liquidity position is adequate to cover any needs associated with an adverse ruling. Regarding the existing cross default provision in the company's five-year credit agreement, we expect that a waiver or modification would be sought from the lenders regarding this provision. We will continue to monitor the court proceeding and the adequacy of the companies' liquidity.

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RATINGSDIRECT®

August 8, 2008

Alliant Energy Corp.

Primary Credit Analyst:

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Major Rating Factors

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Outlook

Alliant Energy Corp.

Major Rating Factors

Strengths:

- Strong and stable utility subsidiaries,
- Supportive regulation,
- Significant reduction in nonregulated investments, and
- Improved financial profile from debt reduction.

Corporate Credit Rating

BBB+/Stable/A-2

Weaknesses:

- Large capital spending program could pressure the financial profile during construction, and
- Will depend on supportive regulation during construction.

Rationale

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Table 1

Alliant Energy Corp. -- Peer Comparison*					
Industry Sector: Energy					
--Average of past three fiscal years--					
	Alliant Energy Corp.	Wisconsin Energy Corp.	SCANA Corp.	Westar Energy Inc.	Xcel Energy Inc.
Rating as of July 29, 2008	BBB+/Stable/A-2	BBB+/Positive/A-2	A-/Negative/NR	BBB-/Stable/NR	BBB+/Stable/A-2
(Mil. \$)					
Revenues	3,358.9	4,016.6	4,653.7	1,638.6	9,833.3
Net income from cont. oper.	273.1	317.5	314.7	156.2	547.9
Funds from operations (FFO)	630.4	726.7	751.8	396.8	1,535.3
Capital expenditures	493.2	949.4	549.5	447.3	1,621.9
Cash and short-term investments	406.6	45.9	132.3	21.6	53.6
Debt	3,233.0	4,606.2	3,835.0	2,429.1	9,178.2
Preferred stock	121.9	108.7	56.8	10.7	70.0
Equity	2,665.6	2,965.5	2,838.1	1,573.4	5,746.0
Debt and equity	5,898.6	7,571.8	6,673.1	4,002.5	14,924.2
Adjusted ratios					
EBIT interest coverage (x)	2.7	3.1	2.4	2.7	2.2
FFO int. cov. (X)	3.9	4.3	4.1	3.7	3.4
FFO/debt (%)	19.5	15.8	19.6	16.3	16.7

Table 1

Alliant Energy Corp. -- Peer Comparison*(cont.)					
Discretionary cash flow/debt (%)	(0.2)	(10.8)	(2.2)	(9.2)	(5.5)
Net cash flow / capex (%)	102.7	64.7	101.7	70.5	72.5
Total debt/debt plus equity (%)	54.8	60.8	57.5	60.7	61.5
Return on common equity (%)	9.7	9.5	11.0	9.7	8.7
Common dividend payout ratio (un-adj.) (%)	51.1	34.4	61.8	55.1	66.1

*Fully adjusted (including postretirement obligations).

Table 2

Alliant Energy Corp. -- Financial Summary*					
Industry Sector: Energy					
--Fiscal year ended Dec. 31--					
	2007	2006	2005	2004	2003
Rating history	BBB+/Stable/A-2	BBB+/Stable/A-2	BBB+/Negative/A-2	BBB+/Negative/A-2	BBB+/Negative/A-2
(Mil. \$)					
Revenues	3,437.6	3,359.4	3,279.6	2,958.7	2,866.8
Net income from continuing operations	424.7	338.3	56.4	210.8	156.0
Funds from operations (FFO)	675.5	684.8	531.0	699.0	549.3
Capital expenditures	550.2	402.5	526.9	643.9	868.4
Cash and short-term investments	745.6	268.9	205.3	262.6	242.3
Debt	2,898.3	3,163.1	3,637.6	3,250.4	3,243.7
Preferred stock	121.9	121.9	121.9	121.9	121.9
Equity	2,807.0	2,778.1	2,411.8	2,570.7	2,391.0
Debt and equity	5,705.3	5,941.2	6,049.4	5,821.1	5,634.7
Adjusted ratios					
EBIT interest coverage (x)	3.5	2.3	2.5	2.3	1.9
FFO int. cov. (x)	4.5	4.0	3.2	4.0	3.0
FFO/debt (%)	23.3	21.7	14.6	21.5	16.9
Discretionary cash flow/debt (%)	1.7	1.2	(2.8)	(6.9)	(16.6)
Net Cash Flow / Capex (%)	98.4	139.1	79.4	92.3	52.6
Debt/debt and equity (%)	50.8	53.2	60.1	55.8	57.6
Return on common equity (%)	14.7	12.2	1.9	7.8	7.4
Common dividend payout ratio (un-adj.) (%)	35.3	42.1	216.1	54.1	64.9

*Fully adjusted (including postretirement obligations).

Table 3

Reconciliation Of Alliant Energy Corp. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. \$)*										
--Fiscal year ended Dec. 31, 2007--										
Alliant Energy Corp. reported amounts										
	Debt	Shareholders' equity	Operating income (before D&A)	Operating income (before D&A)	Operating income (after D&A)	Interest expense	Cash flow from operations	Cash flow from operations	Dividends paid	Capital expenditures
Reported	1,655.9	2,925.0	807.0	807.0	544.3	116.7	588.2	588.2	143.2	542.0
Standard & Poor's adjustments										
Trade receivables sold or securitized	100.0	--	--	--	--	5.0	--	--	--	--
Operating leases	87.4	--	38.5	7.0	7.0	7.0	31.5	31.5	--	14.0
Intermediate hybrids reported as equity	121.9	(121.9)	--	--	--	9.4	(9.4)	(9.4)	(9.4)	--
Postretirement benefit obligations	75.3	--	4.7	4.7	4.7	--	59.0	59.0	--	--
Capitalized interest	--	--	--	--	--	5.8	(5.8)	(5.8)	--	(5.8)
Share-based compensation expense	--	--	--	9.5	--	--	--	--	--	--
Power purchase agreements	466.1	--	105.1	105.1	34.1	34.1	71.0	71.0	--	--
Asset retirement obligations	27.8	--	2.2	2.2	2.2	2.2	(1.4)	(1.4)	--	--
Reclassification of nonoperating income (expenses)	--	--	--	--	34.1	--	--	--	--	--
Reclassification of working-capital cash flow changes	--	--	--	--	--	--	--	(57.6)	--	--
Minority interests	--	3.9	--	--	--	--	--	--	--	--
Other	363.9	--	--	--	--	--	--	--	--	--
Total adjustments	1,242.4	(118.0)	150.5	128.5	82.1	63.4	144.9	87.3	(9.4)	8.2
Standard & Poor's adjusted amounts										
	Debt	Equity	Operating income (before D&A)	EBITDA	EBIT	Interest expense	Cash flow from operations	Funds from operations	Dividends paid	Capital expenditures
Adjusted	2,898.3	2,807.0	957.5	935.5	626.4	180.1	733.1	675.5	133.9	550.2

Table 3

Reconciliation Of Alliant Energy Corp. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. \$)*(cont.)

*Alliant Energy Corp. reported amounts shown are taken from the company's financial statements but might include adjustments made by data providers or reclassifications made by Standard & Poor's analysts. Please note that two reported amounts (operating income before D&A and cash flow from operations) are used to derive more than one Standard & Poor's-adjusted amount (operating income before D&A and EBITDA, and cash flow from operations and funds from operations, respectively). Consequently, the first section in some tables may feature duplicate descriptions and amounts.

Ratings Detail (As Of August 8, 2008)*

Alliant Energy Corp.

Corporate Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Senior Unsecured (3 Issues)	BBB

Corporate Credit Ratings History

05-Jan-2006	BBB+/Stable/A-2
06-Dec-2002	BBB+/Negative/A-2
17-Oct-2001	A-/Stable/A-2

Financial Risk Profile

Aggressive

Debt Maturities

2008 \$140 mil.
2009 \$137 mil.
2010 \$105 mil.
2011 \$201 mil.
2012 \$1 mil.

Related Entities

Alliant Energy Resources Inc.

Issuer Credit Rating	BBB+/Stable/NR
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IES Utilities Inc.

Senior Unsecured (2 Issues)	BBB+
Senior Unsecured (1 Issue)	BBB+/A-2

Interstate Power & Light Co.

Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Preferred Stock (3 Issues)	BBB-
Senior Unsecured (5 Issues)	BBB+
Senior Unsecured (2 Issues)	BBB+/A-2

Wisconsin Power & Light Co.

Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Local Currency	A-2
Preferred Stock (7 Issues)	BBB
Senior Unsecured (6 Issues)	A-

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

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February 12, 2008

Summary: Alliant Energy Corp.

Primary Credit Analyst:

Gerrit Jepsen, CFA, New York (1) 212-438-2529; gerrit_jepsen@standardandpoors.com

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Rationale

Outlook

Summary:

Alliant Energy Corp.

Credit Rating: BBB+/Stable/A-2

Rationale

The ratings on Alliant Energy reflect the consolidated credit profile that includes utility subsidiaries Interstate Power & Light Co. (IP&L; BBB+/Positive/A-2) and Wisconsin Power & Light Co. (WP&L; A-/Positive/A-2), and unregulated subsidiary Alliant Energy Resources Inc. (AER). Madison, Wisc.-based Alliant Energy had \$1.66 billion in consolidated debt and \$244 million of preferred stock as of Dec. 31, 2007.

The ratings on Alliant Energy reflect its stable utility subsidiaries, adequate cash flow protection, and modest leverage. Alliant Energy has an excellent business risk profile, which reflects the successful reduction in the size and scope of AER's nonregulated and international activities through divestitures. Sales proceeds have been used to pay down debt. AER will operate primarily in energy transportation, development of wind power, and industrial consulting. The company owns one gas-fired power plant, providing about 300 MW that is contracted to WP&L.

IP&L's and WP&L's business risk profile scores are excellent and reflect constructive regulatory environments, low-cost coal-fired generation, and lower operational risk after selling their interests in nuclear plants. These strengths are tempered by moderate industrial concentration, rising fuel and purchased-power costs, and significant nondiscretionary capital expenditures. IP&L plans to bring on line a 100 MW wind farm in 2008 and a 600 MW (250 MW for IP&L's operations) highly efficient pulverized coal plant in 2013. WP&L plans to build two wind farms in 2008 and 2009, with 260 MW - 300 MW of total capacity. It has also filed for approval to build a highly efficient pulverized coal plant at its existing Nelson Dewey generation site in southwestern Wisconsin.

IP&L's recently completed sale of transmission assets to ITC Holdings Inc. did not affect the company's rating. Proceeds from the sale may help fund plans for new generation and may mitigate the need for generation-related rate increases or additional debt over the intermediate term.

Alliant Energy's consolidated credit measures are within established guidelines for the 'BBB+' rating. Overall, the company has adequate cash flow protection and modest leverage. For the 12 months ended Sept. 30, 2007, after adjustments, funds from operations (FFO) interest coverage was over 5.5x, FFO to debt exceeded 30%, and debt to total capital was 47%. Although net cash flow to capital expenditures exceeds 100% as of Sept. 30, 2007, it may decline as capital spending increases with construction of the coal units. We expect Alliant Energy's earnings and cash flows to be predictably stable over the intermediate term. Despite significant debt reduction, we don't expect near-term improvement in cash flow protection ratios mainly due to large projected capital expenditures.

Short-term credit factors

The short-term rating is 'A-2'. Alliant Energy should have sufficient liquidity over the short term. The company's strong liquidity reflects moderate and stable utility-related cash generation and ample alternative liquidity sources. Internal funds are generally sufficient to cover the company's current common dividend and maintenance capital expenditures. The company must rely on cash reserves (\$108 million as of Sept. 2007, down from \$269 million as of December 2006), asset sales and monetizations, and external funds for all other uses, including growth-related

capital expenditures.

Alliant's commercial paper program provides alternative liquidity to meet ongoing working-capital requirements and moderate debt maturities through the intermediate term. The company uses its credit facilities to backstop its commercial paper program. Alliant Energy has three revolving credit facilities totaling \$650 million that support its commercial paper program and are also available for direct borrowings. The company had \$82 million of CP outstanding as of Dec. 31, 2007.

Outlook

The stable outlook on Alliant Energy reflects our expectations that the company will continue to focus on its core utility subsidiaries. If financial measures weaken due to lower-than-expected FFO (resulting from lower rate relief or other items) or an unanticipated increase in leverage, we could revise the outlook to negative. An outlook revision to positive is highly unlikely, but could occur if the company further materially reduces debt.

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August 9, 2007

Alliant Energy Corp.

Primary Credit Analyst:

Gerrit Jepsen, CFA, New York (1) 212-438-2529; gerrit_jepsen@standardandpoors.com

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Major Rating Factors

Rationale

Outlook

Alliant Energy Corp.

Major Rating Factors

Strengths:

- Strong and stable utility subsidiaries,
- Supportive regulatory environments in Wisconsin and Iowa,
- Improved financial profile due to steady and pending debt reduction, and
- Significant reduction in nonregulated investments.

Corporate Credit Rating

BBB+/Stable/A-2

Weaknesses:

- Large capital expenditures may pressure the financial profile in the intermediate term.

Rationale

Ratings reflect Alliant Energy Corp.'s consolidated credit profile, which includes utility subsidiaries Interstate Power & Light Co. (IP&L) and Wisconsin Power & Light Co. (WP&L), as well as nonregulated subsidiary Alliant Energy Resources Inc. (AER).

Madison, Wisc.-based Alliant Energy had about \$2.5 billion in consolidated gross debt as of March 31, 2007.

The ratings on Alliant Energy reflect its stable utility subsidiaries, adequate cash flow protection, and modest leverage. Alliant Energy's business risk profile score is satisfactory (a '5' on our scale from '1' (excellent) to '10' (vulnerable)).

Alliant Energy has successfully reduced the size and scope of AER's nonregulated and international activities by selling its Brazilian distribution and generation assets, its Chinese investments, and its investment in a Mexican resort. Sales proceeds have been used to pay down debt. The company recently announced the sale of AER's natural gas-fired Neenah facility to WP&L. AER's debt is \$306 million, or about 12% of consolidated debt, down from 48% of consolidated debt just two years ago.

AER will operate primarily in energy transportation, development of wind power, and industrial consulting. The company owns one gas-fired power plant, providing about 300 MW that is contracted to WP&L.

IP&L's and WP&L's business risk profile scores are '5' and '4' (strong), respectively, reflecting supportive regulatory environments, low-cost coal-fired generation, and lower operational risk after selling their interests in nuclear plants. These strengths are tempered by moderate industrial concentration, rising fuel and purchased-power costs, and significant nondiscretionary capital expenditures. IP&L plans to bring on line a 100 MW wind farm in 2008 and a 600 MW (250 MW for IP&L's operations) highly efficient pulverized coal plant in 2013. WP&L plans to build two wind farms in 2008 and 2009, with 260 MW to 300 MW of total capacity. It has also filed for approval to build a 300 MW, highly efficient pulverized coal plant at its existing Nelson Dewey generation site in southwestern Wisconsin.

Alliant Energy's consolidated credit metrics are well within established guidelines for the 'BBB+' rating. Overall, the company has adequate cash flow protection and modest leverage. For the 12 months ended March 31, 2007, after

adjustments, funds from operations (FFO) interest coverage was about 4.7x, FFO to debt was about 31%, and debt to total capital was 47%.

We expect Alliant Energy's earnings and cash flows to be predictably stable over the intermediate term. Despite significant debt reduction, we don't expect near-term improvement in cash flow protection ratios mainly due to large projected capital expenditures.

Short-term credit factors

The short-term rating is 'A-2'. Alliant Energy should have sufficient liquidity over the short term. The company's strong liquidity reflects moderate and stable utility-related cash generation and ample alternative liquidity sources. Internal funds are generally sufficient to cover the company's current common dividend and maintenance capital expenditures. The company must rely on modest cash reserves (\$110 million as of March 2007, down from \$269 million as of December 2006), asset sales and monetizations, and external funds for all other uses, including growth-related capital expenditures, which we currently estimate to total \$580 million for 2007 and \$1.1 billion for 2008.

Alliant's commercial paper program provides alternative liquidity to meet ongoing working-capital requirements and moderate debt maturities through the intermediate term. The company uses its credit facilities to backstop its commercial paper program. Alliant Energy has three revolving credit facilities totaling \$650 million that support its commercial paper program and are also available for direct borrowings. The company had \$537 million in remaining borrowing capacity as of March 31, 2007. As of Dec. 31, 2006, Alliant Energy's long-term debt maturities included \$195 million in 2007, \$197 million in 2008, and \$147 million in 2009.

Outlook

The stable outlook on Alliant Energy reflects our expectations that the company will continue to focus on its core utility subsidiaries. If financial measures weaken due to lower-than-expected FFO (resulting from lower-than-expected rate relief or other items) or an unanticipated increase in leverage, we could revise the outlook to negative. An outlook revision to positive is highly unlikely, but could occur if the company further materially reduces debt.

Table 1

Alliant Energy Corp.--Peer Comparison*				
Industry sector: Diversified energy				
	--Average of past three fiscal years--			
	Alliant Energy Corp.	Westar Energy Inc.	OGE Energy Corp.	Wisconsin Energy Corp.
Rating as of Aug. 2, 2007	BBB+/Stable/A-2	BBB-/Stable/--	BBB+/Stable/A-2	BBB+/Stable/A-2
(Mil. \$)				
Revenues	3,199.2	1,551.2	4,960.1	3,747.7
Net income from cont. oper.	201.8	133.4	181.7	246.1
Funds from operations (FFO)	663.2	414.6	398.9	698.0
Capital expenditures	521.8	289.6	405.8	775.1
Cash and investments	245.6	32.0	44.2	48.6
Debt	2,968.3	2,272.1	1,685.4	4,366.8
Preferred stock	243.8	21.4	0.0	30.4

Table 1

Alliant Energy Corp.--Peer Comparison* (cont.)				
Common equity	2,445.3	1,384.6	1,299.5	2,613.1
Total capital	5,677.1	3,678.1	2,984.9	7,010.4
Adjusted ratios				
EBIT interest coverage (x)	2.5	2.3	4.0	2.9
FFO int. cov. (X)	4.0	3.6	4.8	4.3
FFO/debt (%)	22.3	18.2	23.7	16.0
Discretionary cash flow/debt (%)	(3.2)	(0.6)	(1.8)	(5.9)
Net cash flow/capex (%)	103.4	118.8	69.1	76.8
Debt/total capital (%)	52.3	61.8	56.5	62.3
Return on common equity (%)	7.6	9.5	13.1	8.2
Common dividend payout ratio (un-adj.) (%)	63.1	56.2	65.4	41.8

*Fully adjusted (including postretirement obligations).

Table 2

Alliant Energy Corp.--Financial Summary*					
Industry sector: Diversified energy					
--Fiscal year ended Dec. 31--					
	2006	2005	2004	2003	2002
Rating history	BBB+/Stable/A-2	BBB+/Negative/A-2	BBB+/Negative/A-2	BBB+/Negative/A-2	BBB+/Negative/A-2
(Mil. \$)					
Revenues	3,359.4	3,279.6	2,958.7	2,866.8	2,608.8
Net income from continuing operations	338.3	56.4	210.8	156.0	76.3
Funds from operations (FFO)	741.6	534.1	713.9	557.8	540.1
Capital expenditures	398.1	518.1	649.2	868.4	702.0
Cash and investments	268.9	205.3	262.6	242.3	63.9
Debt	2,651.3	3,124.1	3,129.6	3,121.8	3,769.5
Preferred stock	243.8	243.8	243.8	243.8	205.1
Common equity	2,651.3	2,285.4	2,399.2	2,216.5	1,711.5
Total capital	5,551.3	5,657.8	5,822.2	5,634.7	5,729.4
Adjusted ratios					
EBIT interest coverage (x)	2.3	2.5	2.5	1.9	1.6
FFO int. cov. (x)	4.4	3.3	4.3	3.1	3.3
FFO/debt (%)	28.0	17.1	22.8	17.9	14.3
Discretionary cash flow/debt (%)	1.5	(3.2)	(7.2)	(17.2)	(8.9)
Net cash flow/capex (%)	152.5	79.6	92.4	52.6	51.2
Debt/total capital (%)	47.8	55.2	53.8	55.4	65.8
Return on common equity (%)	12.2	1.9	8.5	7.4	3.7
Common dividend payout ratio (un-adj.) (%)	42.1	216.1	54.1	64.9	237.2

*Fully adjusted (including postretirement obligations).

Table 3

Reconciliation Of Alliant Energy Corp. Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. \$)*

--Fiscal year ended Dec. 31, 2006--

Alliant Energy Corp. reported amounts							
	Debt	Shareholders' equity	Operating income (before D&A)	Operating income (before D&A)	Operating income (after D&A)	Interest expense	Cash flow from operations
Reported	1,696.7	2,895.1	754.9	754.9	493.5	145.7	420.7
Standard & Poor's adjustments							
Trade receivables sold or securitized	125.0	--	--	--	--	6.3	--
Operating leases	104.3	--	48.0	9.0	9.0	9.0	39.0
Postretirement benefit obligations	166.5	--	8.9	8.9	8.9	--	40.9
Capitalized interest	--	--	--	--	--	8.1	(8.1)
Power purchase agreements	558.7	--	42.3	42.3	42.3	42.3	--
Reclassification of nonoperating income (expenses)	--	--	--	--	(60.4)	--	--
Reclassification of working-capital cash flow changes	--	--	--	--	--	--	--
Minority Interest	--	4.9	--	--	--	--	--
US decommissioning fund contributions	--	--	--	--	--	--	29.2
Other	--	--	--	--	--	--	49.4
Total adjustments	954.6	4.9	99.2	60.2	(0.2)	65.7	150.3

Standard & Poor's adjusted amounts							
	Debt	Equity	Operating income (before D&A)	EBITDA	EBIT	Interest expense	Cash flow from operations
Adjusted	2,651.3	2,900.0	854.1	815.1	493.3	211.4	571.0

*Alliant Energy Corp. reported amounts shown are taken from the company's financial statements but might include adjustments made by data providers or reclassifications made by Standard & Poor's analysts. Please note that two reported amounts (operating income before D&A and cash flow from operations) are used to derive more than one Standard & Poor's-adjusted amount (operating income before D&A and EBITDA, and cash flow from operations and funds from operations, respectively). Consequently, the first section in some tables may feature duplicate descriptions and amounts.

Ratings Detail (As Of August 9, 2007)*

Alliant Energy Corp.

Corporate Credit Rating	BBB+/Stable/A-2
Commercial Paper	
Local Currency	A-2
Senior Unsecured	
Local Currency	BBB

Corporate Credit Ratings History

05-Jan-2006	BBB+/Stable/A-2
06-Dec-2002	BBB+/Negative/A-2

Ratings Detail (As Of August 9, 2007)*(cont.)															
17-Oct-2001					A-/Stable/A-2										
Business Risk Profile					1	2	3	4	5	6	7	8	9	10	
Financial Risk Profile					Intermediate										
Related Entities															
Alliant Energy Resources Inc.															
Issuer Credit Rating					BBB+/Stable/NR										
Interstate Power & Light Co															
Issuer Credit Rating					BBB+/Stable/A-2										
Commercial Paper															
Local Currency					A-2										
Preferred Stock															
Local Currency					BBB-										
Senior Secured															
Local Currency					A-										
Senior Unsecured															
Local Currency					BBB+										
Wisconsin Power & Light Co.															
Issuer Credit Rating					A-/Stable/A-2										
Commercial Paper															
Local Currency					A-2										
Preferred Stock															
Local Currency					BBB										
Senior Secured															
Local Currency					A-										
Senior Unsecured															
Local Currency					A-										

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

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RATINGSDIRECT®

August 9, 2007

Summary:
Alliant Energy Corp.

Primary Credit Analyst:

Gerrit Jepsen, CFA, New York (1) 212-438-2529; gerrit_jepsen@standardandpoors.com

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Rationale

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We expect Alliant Energy's earnings and cash flows to be predictably stable over the intermediate term. Despite significant debt reduction, we don't expect near-term improvement in cash flow protection ratios mainly due to large projected capital expenditures.

Summary: Alliant Energy Corp.

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June 18, 2007

Summary: Alliant Energy Corp.

Primary Credit Analyst:

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Rationale

Outlook

Summary: Alliant Energy Corp.

Credit Rating: BBB+/Stable/A-2

Rationale

The ratings on Alliant Energy Corp. reflect the company's consolidated credit profile that includes utility subsidiaries Interstate Power & Light Co. (IP&L) and Wisconsin Power & Light Co. (WP&L), and nonregulated subsidiary Alliant Energy Resources Inc. (AER).

Madison, Wisc.-based Alliant Energy had about \$2.5 billion in consolidated gross debt as of March 31, 2007.

The ratings on Alliant Energy reflect its stable utility subsidiaries, adequate cash flow protection, and modest leverage. Alliant Energy's business risk profile score is '5' (satisfactory). (Utility business profiles are categorized from '1' (excellent) to '10' (vulnerable)).

Alliant Energy has successfully reduced the size and scope of AER's nonregulated and international activities with the sales of its Brazilian distribution and generation assets, its Chinese investments, and its investment in Mexican resort Laguna del Mar, using sales proceeds to pay down debt. Alliant recently announced the sale of AER's natural gas fired Neenah facility to WP&L. AER's debt is \$306 million or about 12% of consolidated debt, down from 48% of consolidated debt just two years ago.

Going forward, AER will operate primarily in energy transportation, development of wind generation solutions, and industrial consulting. The company owns one gas-fired facility providing about 300 MW that is contracted to WP&L.

IP&L's and WP&L's business risk profile scores are '5' and '4' (strong), respectively, and reflect supportive regulatory environments, low-cost coal-fired generation, and lower operational risk after exiting their ownership interests in nuclear generation. These strengths are tempered by moderate industrial concentration, rising fuel and purchased-power costs, and significant nondiscretionary capital expenditures. IP&L plans to bring online a 100 MW wind farm in 2008 and a 600 MW (250 MW for IP&L's operations) highly efficient pulverized coal plant in 2013. WP&L has plans for two wind farms in 2008 and 2009 with 260 MW to 300 MW of total capacity. It has also filed for approval to construct a 300 MW highly efficient pulverized coal plant at its existing Nelson Dewey generation site in southwestern Wisconsin.

Alliant Energy's consolidated credit metrics are well within established guidelines for the 'BBB+' rating. Overall, the company's financial profile is characterized by adequate cash flow protection and modest leverage. For the 12 months ending March 31, 2007, after adjustments, funds from operations (FFO) interest coverage was about 4.2x, FFO to debt was about 26%, total debt to capital was 48%.

We expect Alliant Energy's earnings and cash flows to be predictably stable over the intermediate term. Despite significant debt reduction, we don't expect near-term improvement in cash flow protection ratios primarily due to large projected capital expenditures.

Short-term credit factors

The short-term rating on Alliant Energy is 'A-2'. Alliant Energy should have ample liquidity over the short term. The company's strong liquidity reflects moderate and stable utility-related cash generation and ample alternative liquidity sources. Internal funds are generally sufficient to cover the company's current common dividend and maintenance capital expenditures. The company must rely on modest cash reserves (\$110 million as of March 2007, down from \$269 million as of December 2006), asset sales and monetizations, and external funds for all other uses, including growth-related capital expenditures, which are currently estimated to total \$580 million for 2007 and \$1.1 billion for 2008.

The company's commercial paper program provides alternative liquidity to meet ongoing working-capital requirements and moderate debt maturities through the intermediate term. The company uses its credit facilities to backstop its commercial paper program. Alliant Energy has three revolving credit facilities totaling \$650 million that support the company's commercial paper program and are also available for direct borrowings. The company had \$537 million in remaining borrowing capacity as of March 31, 2007. As of Dec. 31, 2006, Alliant Energy's long-term debt maturities included \$195 million in 2007, \$197 million in 2008, and \$147 million in 2009.

Outlook

The stable outlook on Alliant Energy reflects expectations that the company will continue to focus on its core utility subsidiaries. If financial measures weaken as a result of lower-than-expected funds from operations (due to lower-than-expected rate relief or other items) or an unanticipated increase in leverage, the outlook could be revised to negative. An outlook revision to positive is highly unlikely, but could occur in the event of additional and material debt reduction.

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RESEARCH

Bulletin:

Alliant Energy's \$295 Million Share Buyback Increase Does Not Affect Rating

Publication date: 08-Feb-2007
Primary Credit Analyst: Jeanny Silva, New York (1) 212-438-1776;
jeanny_silva@standardandpoors.com

NEW YORK (Standard & Poor's) Feb. 8, 2007--Standard & Poor's Ratings Services said today that Alliant Energy Corp.'s (BBB+/Stable/A-2) plan to repurchase another \$295 million of its common stock by the end of 2007 does not affect the ratings or outlook on the company at this time. Alliant's upsizing of its repurchase program comes on the heels of announcements that the company plans to build large coal baseload units for a combined \$1.8 billion, increase its dividend by 10.4%, and sell its Iowa transmission assets for about \$475 million-\$525 million after adjustments. Despite these developments, Standard & Poor's still expects the company to maintain adequate credit metrics over the short to intermediate term. Specifically, we expect the company to end the year with about 50% debt to capital and 18%-20% funds from operations (FFO) to debt (fully adjusted). Over the longer term, Alliant's consolidated cash flow protection could weaken as the company begins its capital spending cycle. The company is not allowed to earn a return on construction work in progress in Iowa. Alliant plans to fund 2007 repurchases with cash on hand (\$265 million at year-end 2006) and proceeds from the sale of its Laguna del Mar resort investment, which is carried on its books at about \$60 million.

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RESEARCH

Bulletin:

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Credit Opinion: Wisconsin Power and Light Company

Wisconsin Power and Light Company

Exhibit 2 (PLK), Schedule 3
 Docket No. 6680-UR-117
 Wisconsin Power and Light Company
 Page 1 of 8

Madison, Wisconsin, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Issuer Rating	A2
First Mortgage Bonds	A1
Senior Secured Shelf	(P)A1
Senior Unsecured	A2
Preferred Stock	Baa1
Commercial Paper	P-1
Parent: Alliant Energy Corporation	
Outlook	Stable
Commercial Paper	P-2

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Key Indicators

Wisconsin Power and Light Company

	LTM 2Q 2008	2007	2006	2005
(CFO pre-W/C + Interest) to Interest Expense	5.3x	5.6x	4.5x	5.3x
(CFO pre-W/C) to Debt (%)	26.6%	28.6%	25.3%	27.7%
(CFO pre-W/C - Dividends) to Debt	7.6%	5.6%	12.0%	14.4%
(CFO pre-W/C - Dividends) to Capex	24.0%	22.7%	51.2%	52.5%
Total Debt to Book Capitalization (%)	39.0%	38.2%	33.5%	35.6%
EBITA Margin (%)	17.9%	18.3%	17.9%	17.1%

Note: For definitions of Moody's most common ratio terms please see the accompanying [User's Guide](#).

Opinion

Corporate Profile

Wisconsin Power and Light Company (WP&L: A2 senior unsecured) is a vertically integrated utility operating company that provides electric energy services to approximately 453,000 retail customers and natural gas services to approximately 176,000 retail customers in south and central Wisconsin.

WP&L is a wholly-owned subsidiary of Alliant Energy Corporation (Alliant: Prime-2). Alliant's other rated subsidiaries are Interstate Power and Light Company (IP&L: A3 senior unsecured) and Alliant Energy Resources, Inc. (AER: Baa1 senior unsecured).

Rating Rationale

WP&L's A2 senior unsecured rating continues to be supported by its strong financial metrics, supportive regulatory environment and its parent's conservative business strategy. Moody's key credit concerns are centered on WP&L's ability to fund the higher planned level of environmental and growth capital expenditures over the near to immediate term in a manner that maintains the integrity of its historical financial metrics. The most important

drivers for the current ratings and stable outlook are as follows:

Strong financial metrics

WP&L's core financial metrics (incorporating Moody's standard analytical adjustments) are currently positioned within the ranges outlined in our Rating Methodology for A-rated utilities (on an unsecured basis) with similar business risk profiles. Specifically, WP&L's ratios of CFO pre-W/C to debt and CFO pre-W/C interest coverage were approximately 27%, and 5.3 times for the trailing twelve months ended June 30, 2008.

Supportive regulatory environment

The state of Wisconsin has placed an emphasis on maintaining a statewide reliable electric system and, to that end; state regulators provide WP&L a stable and supportive regulatory environment as evidenced by above average authorized equity returns and a high expectation of timely recovery of costs and investments. Moody's ranks Wisconsin regulation in the top tier of regulatory jurisdictions in the United States. There has been no movement toward electric deregulation in the state of Wisconsin.

Parent's conservative business strategy

Management has successfully executed a strategic plan to improve Alliant's consolidated balance sheet by selling non-regulated businesses and to refocus on its core regulated operations. Going forward, we expect approximately 90% of Alliant's consolidated revenue and cash flow to be attributable to Interstate Power and Light Company and WP&L, both of which currently operate in supportive regulatory environments. This less volatile source of revenue and cash flow positions Alliant in the lower half of the medium business risk category that is outlined in Moody's Rating Methodology.

Ambitious generation expansion plan

WP&L is not without challenges. It has disclosed an aggressive generation expansion plan that, assuming regulatory approval and combined with environmental spending requirements and other proposed utility capital expenditure, could exceed \$2.5 billion for the three year period ended 2010.

The generation expansion plan includes the construction of the 70 megawatt Cedar Ridge Wind Farm that is expected to be operational during the fourth quarter at an estimated cost of \$165 million and potentially an additional 200 megawatt wind farm to follow in 2010 at an estimated cost of \$425-475 million. Furthermore, WP&L has filed for regulatory approval to build a 300-megawatt coal-fired power plant (Nelson Dewey #3) at an estimated cost of \$1.2-1.3 billion that, if approved, could achieve commercial operation in 2013. A decision from the regulators on the proposed coal plant is expected during the fourth quarter. Lastly, WP&L intends to acquire in June 2009 a 300 megawatt simple-cycle gas-fired electric generating facility from an affiliate for approximately \$95 million.

Regardless of the outcome of the proposed coal plant, WP&L's near-term capital spending program is expected to exceed retained cash flow and lead to an increase in WP&L's debt balance. As a result, WP&L's cash flow financial metrics are likely to be pressured near term; however, these metrics should improve when these assets enter commercial operation. Moody's also expects Alliant to provide equity contributions to WP&L to finance in part its generation and environmental capital expenditures.

Liquidity

WP&L's liquidity profile is supported by a multi-year \$250 million syndicated credit facility that terminates 2012. A subsidiary of Lehman Brothers is a lender under this facility so that the size of the facility may be modestly reduced by Lehman's approximate \$10.4 million commitment.

This facility does not have a material adverse change clause and the only financial covenant is a 58% limitation on the debt component of WP&L's capital structure. The company has substantial flexibility under the capital structure covenant as WP&L's adjusted debt capitalization at June 30, 2008, as calculated by Moody's, was approximately 40%.

WP&L had \$138 million of commercial paper outstanding at June 30, 2008 and faces a \$60 million debenture maturity in October 2008. The company intends to issue a 30 year debt offering with the proceeds to be used to repay short-term debt, refinance the near-term maturity, fund capital expenditures and for other working capital purposes. Regulatory restrictions prevent WP&L from making annual dividends to its parent in excess of \$91 million if its average common equity ratio is, or will fall, below 51%.

What Could Change the Rating - Up

Given the substantial capital spending expected over the near to intermediate term, the likelihood of an upgrade is probably low, however, a rating upgrade could be triggered by an upgrade of its parent, Alliant, or significant

improvement in WP&L financial metrics such that the ratio of CFO pre-W/C to debt exceeds 30% on a sustainable basis.

What Could Change the Rating - Down

Unanticipated additional capital expenditure requirements, less than expected equity contributions from Alliant during WP&L's generation plan or an unexpected decline in the financial metrics, including a ratio of CFO pre-W/C to debt falling below 20% in 2009-2010 timeframe, could trigger a rating downgrade.

Rating Factors

Wisconsin Power and Light Company

829000

Select Key Ratios for Global Regulated Electric

Utilities

Rating	Aa	Aa	A	A	Baa	Baa	Ba	Ba
Level of Business Risk	Medium	Low	Medium	Low	Medium	Low	Medium	Low
CFO pre-W/C to Interest (x) [1]	>6	>5	3.5-6.0	3.0-5.7	2.7-5.0	2-4.0	<2.5	<2
CFO pre-W/C to Debt (%) [1]	>30	>22	22-30	12-22	13-25	5-13	<13	<5
CFO pre-W/C - Dividends to Debt (%) [1]	>25	>20	13-25	9-20	8-20	3-10	<10	<3
Total Debt to Book Capitalization (%)	<40	<50	40-60	50-75	50-70	60-75	>60	>70

[1] CFO pre-W/C, which is also referred to as FFO in the Global Regulated Electric Utilities Rating Methodology, is equal to net cash flow from operations less net changes in working capital items

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**Credit Opinion: Wisconsin Power and Light Company****Wisconsin Power and Light Company***Madison, Wisconsin, United States***Ratings**

Category	Moody's Rating
Outlook	Stable
Issuer Rating	A2
First Mortgage Bonds	A1
Senior Secured Shelf	(P)A1
Senior Unsecured	A2
Preferred Stock	Baa1
Commercial Paper	P-1
Parent: Alliant Energy Corporation	
Outlook	Stable
Commercial Paper	P-2

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Key Indicators**Wisconsin Power and Light Company**

	2006	2005	2004	2003	2002
(CFO Pre-W/C + Interest) / Interest Expense	4.5x	5.3x	7.6x	6.6x	6.0x
(CFO Pre-W/C) / Debt	25.0%	27.7%	40.4%	39.3%	21.9%
(CFO Pre-W/C - Dvidends) / Debt	11.7%	14.4%	25.1%	28.1%	16.1%
(CFO Pre-W/C - Dvidends) / Capex	49.8%	52.5%	69.6%	113.1%	104.4%
Debt / Book Capitalization	33.5%	35.6%	31.1%	34.1%	51.8%
EBITA Margin	17.9%	17.1%	20.5%	22.2%	19.7%

Note: For definitions of Moody's most common ratio terms please see the accompanying [User's Guide](#).

Opinion**Company Profile**

Wisconsin Power and Light Company (WP&L: A2 senior unsecured) is a vertically integrated utility operating company that provides electric energy services to approximately 451,000 retail customers and natural gas services to approximately 175,000 retail customers in south and central Wisconsin.

WP&L is a wholly-owned subsidiary of Alliant Energy Corporation (Alliant: Prime-2)

Rating Rationale

WP&L's A2 senior unsecured rating continues to be supported by its strong financial metrics, supportive regulatory environment and its parent's conservative business strategy. Moody's key credit concerns are centered on WP&L's ability to fund the higher planned level of environmental and growth capital expenditures over the near to immediate term in a manner that maintains the integrity of its historical financial metrics. The most important drivers for the current ratings and stable outlook are as follows:

Strong financial metrics

WP&L's core financial metrics (incorporating Moody's standard analytical adjustments) are currently positioned within the ranges outlined in our Rating Methodology for A-rated utilities (on an unsecured basis) with similar business risk profiles. Specifically, WP&L's ratios of CFO pre-W/C to debt and CFO pre-W/C interest coverage were approximately 30%, and 4.6 times for the trailing twelve months ended March 31, 2007 (when WP&L typically has its lowest commercial paper balance) and 25% and 4.5 times at December 31, 2006 (typically the highest commercial paper balance).

Supportive regulatory environment

The state of Wisconsin has placed an emphasis on maintaining a statewide reliable electric system and, to that end; state regulators provide WP&L a stable and supportive regulatory environment as evidenced by above average authorized equity returns and a high expectation of timely recovery of costs and investments. Moody's ranks Wisconsin regulation in the top tier of regulatory jurisdictions in the United States. There has been no movement toward electric deregulation in the state of Wisconsin.

Conservative business strategy

Management has successfully executed a strategic plan to improve Alliant's consolidated balance sheet by selling non-regulated businesses and to refocus on its core regulated operations. Going forward, we expect approximately 98% of Alliant's consolidated revenue and cash flow to be attributable to Interstate Power and Light Company and WP&L, both of which currently operate in supportive regulatory environments. This less volatile source of revenue and cash flow positions Alliant in the lower half of the medium business risk category that is outlined in Moody's Rating Methodology.

Ambitious generation expansion plan

WP&L, however, is not without challenges. It estimates required capital expenditures to meet environment compliance to be \$550-\$600 million during the period 2008-2012 which is materially higher than the amounts spent on environmental projects over the previous four years. Furthermore, the company has started an ambitious generation expansion plan that will require considerable capital.

The generation expansion plan includes the construction of the 70 megawatt Cedar Ridge Wind Farm that is expected to be operational in 2008 at an estimated cost of \$160-180 million with the potential for an additional 200 megawatt wind farm to follow plus the purchase from an affiliate of a 300 megawatt simple-cycle gas-fired electric generating facility for approximately \$95 million. Furthermore, WP&L has filed for permission to build a 300-megawatt coal-fired power plant at an estimated cost of \$800-\$900 million that, if approved, would achieve commercial operation in late 2012. A decision from the regulators on the proposed coal plant is not expected until the second half of 2008.

Regardless of the outcome of the proposed coal plant, WP&L's near-term capital spending program is expected to exceed retained cash flow and lead to an increase in WP&L's debt balance. As a result, WP&L's cash flow financial metrics are likely to be pressured near term; however, these metrics should improve when these assets enter commercial operation beginning 2008. Moody's also expects Alliant to provide equity contributions to WP&L to finance in part its generation and environmental capital expenditures.

Liquidity

WP&L's liquidity profile is supported by a multi-year \$250 million syndicated credit facility that doesn't expire until 2011. This facility does not have a material adverse change clause and the only financial covenant is a 58% limitation on the debt component of WP&L's capital structure. The company has substantial flexibility under the capital structure covenant as evidenced by WP&L's adjusted debt capitalization at June 30, 2007 as calculated by Moody's was approximately 37%.

WP&L had \$212 million of commercial paper outstanding at June 30, 2007 compared to \$135 million at December 31, 2006 and \$40 million at March 31, 2007. The increase in commercial paper balance reflects in part the temporary funding of a \$105 million debenture that matured in June 2007. WP&L priced a \$300 million senior unsecured debt offering on August 8, 2007 and plans to use the proceeds to retire commercial paper and make a \$100 million dividend payment to its parent. After this financing and dividend payment, on a pro forma basis, WP&L's adjusted debt capitalization is expected to increase to approximately 42%.

WP&L's most significant near-term debt maturity is \$60 million in 2008.

What Could Change the Rating - Up

Given the substantial capital spending expected over the near to intermediate term, the likelihood of an upgrade is probably low, however, a rating upgrade could be triggered by an upgrade of its parent, Alliant, or significant

improvement in WP&L financial metrics such that the ratio of CFO pre-W/C to debt exceeds 30% on a sustainable basis.

What Could Change the Rating - Down

Unanticipated additional capital expenditure requirements, less than expected equity contributions from Alliant during WP&L's generation plan or an unexpected decline in the financial metrics, including a ratio of CFO pre-W/C to debt falling below 20% in 2009-2010 timeframe, could trigger a rating downgrade.

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Liquidity Risk Assessment: Wisconsin Power and Light Company

Wisconsin Power and Light Company

Madison, Wisconsin, United States

Broad Industry:	Public Utility
Specific Industry:	Integrated Electric Utility
Short Term Rating:	P-1

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Opinion

Wisconsin Power and Light Company (WP&L) is a regulated utility subsidiary of Alliant Energy Corporation (Alliant). WP&L's liquidity profile is characterized by stable internal cash flow generation and modest maturing debt obligations.

Cash flow from operating activities (CFO) totaled \$163 million for the twelve months ended December 31, 2006. WP&L utilized a combination of CFO, capital contributions from Alliant and commercial paper borrowings, in order to fund capital expenditures totaling \$163 million and make \$92 million of dividend payments.

WP&L's near-term capital expenditure outlays are estimated at \$235 million in 2007 and expected to increase significantly to \$710 million in 2008 due to the addition of wind generating capacity and construction of a baseload generating facility. WP&L's most significant near-term debt maturity is \$105 million in 2007.

WP&L's liquidity profile is supported by a multi-year \$250 million syndicated credit facility that expires in 2011. Terms of the syndicated revolving credit facility includes a representation that no material adverse change has occurred but only on the facility's effective date. The sole financial covenant is a 58% limitation on the debt component of WP&L's capital structure. The company has substantial flexibility under the capital structure covenant, as its debt capitalization was approximately 31.5% at December 31, 2006.

WP&L had \$134.9 million of commercial paper outstanding at December 31, 2006. The average amount of short-term debt outstanding during the fiscal year was \$77.2 million.

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Liquidity Risk Assessment: Alliant Energy Corporation

Alliant Energy Corporation

Exhibit 2 (PLK), Schedule 4
Docket No. 6680-UR-117
Wisconsin Power and Light Company
Page 1 of 8

Madison, Wisconsin, United States

Broad Industry:	Public Utility
Specific Industry:	Electric Holding Co.
Short Term Rating:	P-2

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Opinion

Alliant Energy Corporation (Alliant) is a holding company for two regulated electric utilities and for Alliant Energy Resources, Inc. (Resources), which is an intermediate holding company for Alliant's non-regulated businesses. Alliant has no long-term debt outstanding but unconditionally guarantees approximately \$400 million of Resources' debt.

Alliant's primary source of cash flow is dividends upstreamed by its regulated utility subsidiaries, Interstate Power and Light Company (IP&L) and Wisconsin Power and Light Company (WP&L). Alliant's single largest cash outflow is its common stock dividends, which totaled approximately \$100 million during the nine month period ended September 30, 2006. Alliant typically issues commercial paper to fund short-term borrowing requirements for Resources and for Corporate Services, which provides administrative services to Alliant and its subsidiaries.

In November 2006, Alliant completed an amendment and resyndication of its \$100 million revolving credit facility that supports its commercial paper program. The most substantive changes resulting from the amendment were an extension of the term of the facility to 2011 plus the addition of a one-year term-out provision. A lone financial covenant prohibits Alliant from having a consolidated debt-to-capital ratio in excess of 65%. The debt component of the debt-to-capital ratio has been refined and includes long- and short-term debt (excluding non-recourse debt and hybrid securities as long as hybrid securities do not exceed 15% of consolidated capital), capital lease obligations, letters of credit and new synthetic leases. Unfunded vested benefits under qualified pension plans are no longer included in the debt-to-capital ratio; however, the equity component excludes accumulated other comprehensive income (loss).

Alliant's debt-to-capitalization ratio for the purpose of this covenant was approximately 38% at September 30, 2006. Alliant had no commercial paper outstanding as of that date

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Rating Action: Alliant Energy Corporation

MOODY'S UPGRADES ALLIANT ENERGY RESOURCES TO Baa1 FROM Baa2 (SR. UNSEC.) AND INTERSTATE POWER AND LIGHT TO A3 FROM Baa1 (SR. UNSEC.) ; OUTLOOK STABLE

Approximately \$1.5 Billion of Debt Securities Affected

New York, May 12, 2006 -- Moody's Investors Service upgraded the senior unsecured debt of Alliant Energy Resources, Inc. (AER) to Baa1 from Baa2. Moody's also upgraded the long term ratings of Interstate Power and Light Company (IP&L), including the upgrade of its senior unsecured debt to A3 from Baa1. This concludes the review for possible upgrade that was initiated on March 9, 2006. The rating outlook for AER and IP&L is stable.

AER is an intermediate holding company for Alliant Energy Corporation's (Alliant: Prime-2 rating) non-regulated activities, and its rating is based upon the unconditional guarantee of payment by Alliant. IP&L is a wholly-owned vertically-integrated electric utility subsidiary of Alliant.

The rating outlook for Wisconsin Power and Light Company (WP&L: A2 senior unsecured), Alliant's other electric utility subsidiary, remains stable.

Separately, Moody's withdrew its Prime-2 rating for Arnold Fuel, Inc., a special purpose company formed to lease nuclear fuel to IP&L, whose financing program was terminated with IP&L's recent sale of its ownership in the Duane Arnold nuclear facility.

The ratings upgrades for AER and IP&L are prompted by the following:

- (1) A reduced consolidated business risk profile, resulting from the divestiture of the majority of Alliant's nonregulated investments and a refocused business strategy that is centered on Alliant's regulated utility operations. Proceeds from the sale of nonregulated investments were used largely to retire AER debt.
- (2) The high proportion of Alliant's business that is now comprised of relatively stable regulated activities. Approximately 95% of 2005 consolidated revenues were attributable to IP&L and WP&L, two wholly-owned vertically integrated electric utilities that operate in supportive regulatory environments. This less volatile source of revenue and cash flow positions Alliant in the lower half of the medium business risk category that is outlined in Moody's rating methodology for global regulated electric utilities.
- (3) Improvement in consolidated financial results, driven largely by reduced debt levels. Alliant's ratio of consolidated funds from operations (FFO) to adjusted debt was around 25% and its FFO interest coverage was approximately 5 times for the twelve months ended March 31, 2006, compared to approximately 20% and slightly more than 4 times for the prior twelve month period. Going forward we expect Alliant's FFO to adjusted debt to remain around 25% which, given its business risk profile, is commensurate with a Baa1 rating.
- (4) An expectation that Alliant will divest certain remaining non-regulated businesses. AER has completed its debt reduction efforts and proceeds from additional asset sales are likely to be reinvested or used for general corporate purposes.
- (5) IP&L's lowered operating risk profile resulting from the sale of its Duane Arnold nuclear facility, strong financial metrics that include FFO to adjusted debt of approximately 30%, and FFO interest coverage of approximately 5 times, and improvement in Alliant's consolidated credit profile.

The stable rating outlook considers the strong cash flow provided by IP&L and WP&L, the supportive regulatory environments within the jurisdictions in which they operate, and success in implementing a strategic plan to improve Alliant's consolidated balance sheet and refocus the business on core regulated operations.

Alliant Energy Corporation is the holding company for AER, IP&L, WP&L, and other smaller subsidiaries. Alliant is based in Madison, Wisconsin.

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Liquidity Risk Assessment: Alliant Energy Corporation

Alliant Energy Corporation

Madison, Wisconsin, United States

Broad Industry:	Public Utility
Specific Industry:	Electric Holding Co.
Short Term Rating:	P-2

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Opinion

Alliant Energy Corporation (Alliant) is a holding company for two regulated electric utilities and for Alliant Energy Resources, Inc. (Resources), which is an intermediate holding company for Alliant's non-regulated businesses. Alliant has no long-term debt outstanding but unconditionally guarantees approximately \$402 million of Resources' debt.

Alliant's primary source of cash flow is dividends upstreamed by its regulated utility subsidiaries Interstate Power and Light Company (IP&L) and Wisconsin Power and Light Company (WP&L). Dividends from IP&L and WP&L for 2005 totaled approximately \$110 million and \$90 million, respectively. Alliant's single largest cash outflow is its common stock dividends, which totaled approximately \$122 million in 2005.

Alliant typically issues commercial paper to the fund short-term borrowing requirements for Resources and for Corporate Services, which provides administrative services to Alliant and its subsidiaries.

In 2005, Alliant completed the resyndication of its \$100 million revolving credit facility that supports its commercial paper program. The resyndication resulted in lower pricing, eliminated restrictive covenants including the representation that no material adverse change has occurred prior to the extension of credit, and extended the term of the facility to 2010. A lone financial covenant prohibits Alliant from having a consolidated debt-to-capital ratio in excess of 65%. Alliant's year-end debt-to-capitalization for the purpose of this covenant was 46%.

Alliant had no commercial paper outstanding at December 31, 2005.

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Rating Action: Alliant Energy Corporation

MOODY'S PLACES LONG-TERM RATINGS OF ALLIANT ENERGY RESOURCES (Baa2 SR. UNSEC.) AND INTERSTATE POWER AND LIGHT COMPANY (Baa1 SR. UNSEC.) UNDER REVIEW FOR POSSIBLE UPGRADE

Approximately \$1.5 Billion of Debt Securities Affected

New York, March 09, 2006 -- Moody's Investors Service placed the long term ratings for Alliant Energy Resources, Inc. (AER: Baa2 senior unsecured) and Interstate Power and Light Company (IP&L: Baa1 senior unsecured) under review for possible upgrade.

AER is an intermediate holding company for Alliant Energy Corporation's (Alliant) non-regulated activities, and its rating is based upon the unconditional guarantee of payment by Alliant. IP&L is a wholly-owned vertically-integrated electric utility subsidiary of Alliant.

Moody's also affirmed the long-term ratings for Wisconsin Power and Light Company (WP&L: A2 senior unsecured), which is Alliant's other electric utility subsidiary, and the short term ratings for commercial paper for Alliant, IP&L, and WP&L. The rating outlook for WP&L remains stable.

The review for possible upgrade reflects continued debt reduction and further improvement in Alliant's consolidated credit profile. The rating action also reflects a lower consolidated business risk profile resulting from the company's sale of all of its unregulated investments in Brazil, the majority of its power generating assets in China, and its ownership interest in two nuclear generating facilities.

Debt reduction has occurred primarily at AER. Using proceeds from asset sales, AER is expected to repay about \$360 million in debt in the first quarter, reducing its debt level to about \$400 million. In addition, AER's subsidiaries have approximately \$275 million of non-recourse debt outstanding.

Alliant's consolidated debt balance has decreased to approximately \$2.4 billion from \$2.9 billion at year-end 2004, and the company has increased funds from operations (FFO) over the same time period. Over the next several years, Moody's expects Alliant's consolidated FFO to debt and FFO to interest coverage to be approximately 30% and about 5 times, respectively.

It is expected that Alliant will divest additional non-regulated businesses in the near-term, including its ownership of a resort community in Mexico, four remaining power generating assets in China, and two domestic gas gathering pipeline systems. The book value of these investments at December 31, 2005 was approximately \$110 million. The company may also elect to sell its investments in energy generation and distribution companies in New Zealand.

The review of AER's rating will focus on its ability to divest these nonregulated businesses, the anticipated use of proceeds from any divestitures and the sustainability of Alliant's improved consolidated financial performance.

The review for possible upgrade of IP&L's long term ratings considers the improvement in Alliant's consolidated credit profile, reduced operating risk following the sale of IP&L's ownership in the Duane Arnold Energy Center nuclear facility, and lower capital expenditure requirements over the next several years.

The affirmation of WP&L's ratings reflects the stable nature of its utility operations, relatively low balance sheet leverage, a supportive regulatory environment and financial metrics that remain consistent with its rating category.

Alliant Energy Corporation is the holding company for AER, IP&L, WP&L, and other smaller subsidiaries. Alliant is based in Madison, Wisconsin.

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